

# 2018 Outlook

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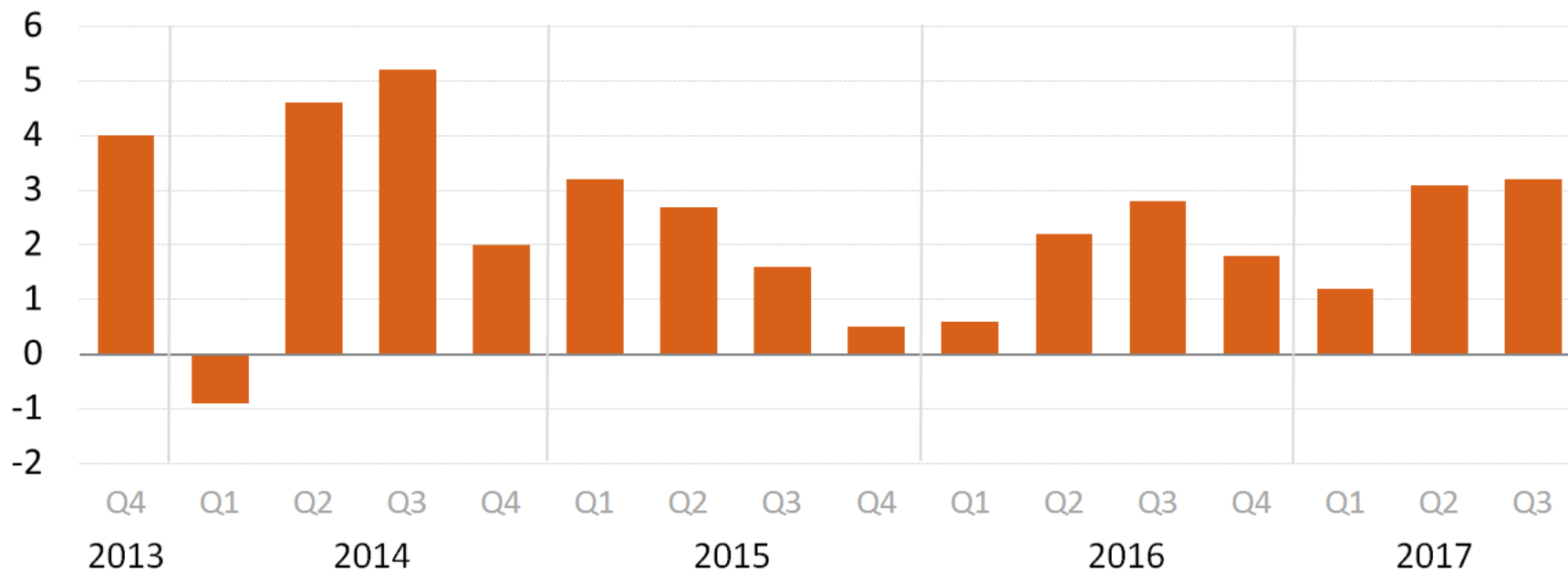
# 2018 Outlook

- U.S. Output
- Global Growth
- Themes and Strategies for 2018
- Key Potential Risks for 2018
- *invest right, live right™*



# U.S. Output

## Real GDP: Percent change from preceding quarter



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

The quality of our research relies on the accuracy of data and information provided by companies and third parties. Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed.



# Global Growth

- IMF 2018-2019 growth forecast is 3.9%
- Deregulation and Tax Reform
- Infrastructure
- Real, multi-dimensional growth that is NOT being driven by leverage
- Leading Economic Indicators increasing across the globe, with the exception of Japan and the U.K.
- One-year stock returns in ALL global markets are positive



# Themes and Strategies for 2018

- Don't expect significant increases in interest earned on money markets and fixed income investments
- Keen focus on company earnings and watch for even the slightest pause in growth rates or inconsistency
- Be prepared for more frequent rebalancing to keep portfolio quality high and allocation levels proper
- Maintain the amount of liquidity you need to get through any short-term market dips



# Key Potential Risks

- Trade restrictions – currently running deficit (we import more than we export), if shifts to surplus could lead to inflation and subsequent recession
- Surprises from The Fed or over-zealous monetary policy from the IMF, Bank of Japan, or Bank of China



- Exercise six days a week for the rest of your life.
- Do serious aerobic exercise four days a week for the rest of your life.
- Do serious strength training, with weights, two days a week for the rest of your life.
- Spend less than you make.
- Quit eating garbage!
- Care.
- Connect and Commit.
  - Harry’s rules from “Younger Next Year.”



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